Quality: Moving from Reactive to Proactive

- Is This You?
- Organizational Excellence
  - Process
  - Results
- Innovation
- Ethics and Trust
- Getting Started
Is This You?

- Improvement: Results from Fixing Problems or Addressing Abuses
- The First Step Involves Assessing Blame
- You Collect a Lot of Data, But Then What?
- Your Role Is Perceived as Antagonist Not Collaborator
- The Focus Is Compliance (No Abuse), When You Want Prevention
- The Focus Is Compliance (to Standards), When You Want Excellence
Have Any of You Ever Worked for an Excellent Organization?

Have Any of You Ever Been a Customer of an Excellent Organization?

......What Made it Excellent?
Baldrige Excellence Framework
A systems approach to improving your organization
Performance Excellence

An integrated **approach** to organizational performance management that **results** in

- delivery of ever-improving value to customers and stakeholders, contributing to ongoing organizational success
- improvement of overall organizational effectiveness and capabilities
- organizational and personal learning
Ritz-Carlton

- Room Service Food Was Late and Not Hot Enough
- Cause – Not Enough Bed Linens

...How Did They Get to the Cause?
Root Cause

- 5 Why’s
  - Why was food late?
  - Why...
  - Why...
  - Why...
  - Why...
Nonprofit/Government Leaders on the Criteria

People ask, “Why Baldrige?” My answer is very simple:

- triple-A bond rating on Wall Street from all three rating agencies,
- bringing capital projects in on time and within budget,
- a 96% business satisfaction rating,
- a 94% resident satisfaction rating,
- an overall quality rating of 95%,
- and an employee satisfaction rating of 97%

. . . that’s why we’re involved with Baldrige.

—Michael Levinson, city manager, Baldrige Award winner City of Coral Springs, Florida
The Baldrige Excellence Framework includes . . .

- Core values and concepts
- Criteria for Performance Excellence
- Scoring system
Core Values and Concepts

- Systems perspective
- Visionary leadership
- Customer-focused excellence
- Valuing people
- Organizational learning and agility
- Focus on success
- Managing for innovation
- Management by fact
- Societal responsibility
- Ethics and transparency
- Delivering value and results
A Systems Perspective

- Managing all the parts of your organization as a unified whole
- Ensuring that plans, processes, measures, and actions are consistent
- Ensuring that the individual parts work together beneficially
Criteria for Performance Excellence
## Category Point Values

<table>
<thead>
<tr>
<th></th>
<th>Category</th>
<th>Points</th>
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<tbody>
<tr>
<td>1</td>
<td>Leadership</td>
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</tr>
<tr>
<td>2</td>
<td>Strategy</td>
<td>85</td>
</tr>
<tr>
<td>3</td>
<td>Customers</td>
<td>85</td>
</tr>
<tr>
<td>4</td>
<td>Measurement, Analysis, and Knowledge Management</td>
<td>90</td>
</tr>
<tr>
<td>5</td>
<td>Workforce</td>
<td>85</td>
</tr>
<tr>
<td>6</td>
<td>Operations</td>
<td>85</td>
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<tr>
<td>7</td>
<td>Results</td>
<td>450</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>1,000</strong></td>
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3. Customers (85 pts.)

3.1 Voice of the Customer (40 pts.)

3.2 Customer Engagement (45 pts.)

- Listening to customers
- Engaging customers
Who Are Your Customers? What Are Their Requirements?

...Are They Providers, Residents, Families, Employers?
4. Measurement, Analysis, and Knowledge Management (90 pts.)

4.1 Measurement, Analysis, and Improvement of Organizational Performance (45 pts.)

4.2 Information and Knowledge Management (45 pts.)

- Analysis, review, and improvement of organizational performance
- Information and knowledge management
- Sharing best practices and learning
5. Workforce (85 pts.)

5.1 Workforce Environment (40 pts.)

5.2 Workforce Engagement (45 pts.)

- Building an effective workforce environment
- Engaging, developing, and managing your workforce
Employee Engagement*

- Recent World-wide Gallup Poll
  - 13% Fully engaged
  - 25% Actively disengaged
- Unilever – 170,000+ Employees
  - 80% Fully engaged

* KNOWLEDGE@WHARTON, September 29, 2016
6. Operations (85 pts.)

6.1 Work Processes (45 pts.)

6.2 Operational Effectiveness (40 pts.)

- Designing, managing, and improving work processes
- Improving operational effectiveness
Evaluating Processes

**Approach**
- How do you accomplish your organization’s work? How systematic are your key processes?

**Deployment**
- How consistently are your key processes used?

**Learning**
- How well have you evaluated and improved your key processes? How well have improvements been shared?

**Integration**
- How well do your processes address organizational needs?
Steps toward Mature Processes

- Reacting to Problems (0–25%)
- Early Systematic Approaches (30–45%)
- Aligned Approaches (50–65%)
- Integrated Approaches (70–100%)
From Fighting Fires to Innovation:
An Analogy for Learning
What Fires Are You Fighting?
Are There Best Practices Available?
How Might You Collaborate on a Prevention-Based Approach?
7. Results (450 pts.)

7.1 Product and Process Results (120 pts.)

7.2 Customer Results (80 pts.)

7.3 Workforce Results (80 pts.)

7.4 Leadership and Governance Results (80 pts.)

7.5 Financial and Market Results (90 pts.)

- Performance and improvement in all key areas
- Performance levels, trends, and comparative data
Evaluating Results

Levels
- What is your current performance?

Trends
- Are the results improving, staying the same, or getting worse?

Comparisons
- How does your performance compare with others?

Integration
- Are you tracking important results? Are you using the results in decision making?
Innovation

- Making Meaningful Change to Improve Products, Processes, or Organizational Effectiveness
  - Involves adopting an idea, process, technology, product, or business model that is new or new to its proposed application

- Outcome of Innovation Is a Discontinuous or Breakthrough Change
Cultivating and Managing Innovation

Innovation....
results from a supportive environment and a process for identifying strategic opportunities and pursuing the intelligent risks
How Might You Provide that Supportive Environment?
What Intelligent Risks Might You Take?
### Trust Matters

Percent who engage in each behavior based on trust

<table>
<thead>
<tr>
<th>Behaviors for Distrusted Companies</th>
<th>Behaviors for Trusted Companies</th>
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<tbody>
<tr>
<td>Refused to buy products/services</td>
<td>Chose to buy products/services</td>
</tr>
<tr>
<td>Criticized companies</td>
<td>Recommended them to a friend/colleague</td>
</tr>
<tr>
<td>Shared negative opinions</td>
<td>Shared positive opinions online</td>
</tr>
<tr>
<td>Disagreed with others</td>
<td>Defended company</td>
</tr>
<tr>
<td>Paid more than wanted</td>
<td>Paid more</td>
</tr>
<tr>
<td>Sold shares</td>
<td>Bought shares</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>General Population</th>
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<tbody>
<tr>
<td>48</td>
<td>Refused to buy products/services</td>
</tr>
<tr>
<td>42</td>
<td>Criticized companies</td>
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<tr>
<td>26</td>
<td>Shared negative opinions</td>
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<tr>
<td>35</td>
<td>Disagreed with others</td>
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<tr>
<td>20</td>
<td>Paid more than wanted</td>
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<tr>
<td>12</td>
<td>Sold shares</td>
</tr>
<tr>
<td>68</td>
<td>Chose to buy products/services</td>
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<tr>
<td>59</td>
<td>Recommended them to a friend/colleague</td>
</tr>
<tr>
<td>41</td>
<td>Shared positive opinions online</td>
</tr>
<tr>
<td>38</td>
<td>Defended company</td>
</tr>
<tr>
<td>37</td>
<td>Paid more</td>
</tr>
<tr>
<td>18</td>
<td>Bought shares</td>
</tr>
</tbody>
</table>

Source: 2016 Edelman Trust Barometer Q371-589. Thinking back over the past 12 months, have you taken any of the following actions in relation to companies that you trust? Please answer yes or no to each action. General Population, 28-country global total, questions asked of half the sample. Q377-380. Still thinking about the past 12 months, have you taken any of the following actions in relation to companies that you do not trust? Please answer yes or no to each action. General Population, 28-country global total, question asked of half the sample.

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**Most trusted content creators:**
- #1 Friends and Family

**Most trusted media source:**
- #1 Online Search Engines
What Are His Personal Values?

What’s the message?
The Baldrige Approach in 3 Questions

- Is your agency/organization doing as well as it could?
- How do you know?
- What and how should your agency/organization improve or change?
For More Information

- Criteria booklets and free Criteria content
- Self-assessment tools
- Organizational assessments
- Training, conferences, and executive education
- Award recipient profiles
- Case studies
- Connections to the Baldrige community

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Thank You!